ATARI CORPORATION
1196 Borregas Avenue
Sunnyvale, California 94089

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 25, 1993

To the Shareholders of
ATARI CORPORATION

The Annual Meeting of Shareholders of Atari Corporation ("the Company") will be held on Friday, June 25, 1993 at 2:00 p.m. (PDT) at the Company's Meeting Room at 1196 Borregas Avenue, Sunnyvale, California 94089, for the following purposes:

1. To elect a Board of Directors to serve for the ensuing year and until their successors are elected.

2. To ratify the appointment of Deloitte & Touche as independent auditors for the Company for the year ending December 31, 1993.

3. To consider and act upon a proposal to amend the Company's Articles of Incorporation, as amended, to effect a one for ten reverse stock split of the Company's issued and outstanding common stock (the "Reverse Split"), pursuant to which each ten shares of common stock issued and outstanding immediately prior to the Reverse Split shall be automatically converted into one share of common stock, with cash being issued in lieu of fractional shares.

4. To transact such other business as may properly come before the meeting or any adjournment thereof.

The foregoing items of business are more fully described in the Proxy Statement accompanying this Notice. Only shareholders of record on the Company's books at the close of business on April 2, 1993 will be entitled to vote at the meeting.

All shareholders are cordially invited to attend the meeting. Shareholders are requested to complete, date, sign and return the enclosed proxy cards as promptly as possible in the postage prepaid envelope enclosed for that purpose. The giving of such proxy will not affect your right to vote in person should you decide to attend the meeting.

By Order of the Board of Directors
Steven M. Kawalick, Secretary

Dated: May 14, 1993

ATARI CORPORATION
1196 Borregas Avenue
Sunnyvale, California 94089

PROXY STATEMENT

Annual Meeting of Shareholders
June 25, 1993

SOLICITATIONS OF PROXIES

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of Atari Corporation, a Nevada corporation ("the Company"), for use for the purposes set forth herein and in the accompanying Notice of Annual Meeting of Shareholders to be held June 25, 1993 at 2:00 p.m. at the Company's Meeting Room, 1196 Borregas Avenue, Sunnyvale, California 94089, and all adjournments and postponements thereof ("the Meeting").

This Proxy Statement and the accompanying form of proxy were first mailed to shareholders entitled to notice and vote at the Meeting on or about May 25, 1993.

The cost of preparing, assembling and mailing this Notice of Annual Meeting of Shareholders, Proxy Statement and forms of proxy and the solicitation of proxies will be paid by the Company. In addition to this solicitation, proxies may be solicited in person or by telephone or telegraph by Directors, officers, employees or agents of the Company who will not receive any additional compensation for such solicitation. The Company will furnish proxy materials to brokers, fiduciaries or custodians holding shares in their names that are beneficially owned by others, to permit them to forward such materials to such beneficial owners. The Company will reimburse brokers or other persons holding stock in their names or the names of their nominees for the expenses of forwarding soliciting material to their principals.

A stockholder giving a proxy has the power to revoke it at any time before it is exercised by filing with the Secretary of the Company, either an instrument revoking the proxy or a duly executed proxy bearing a later date. A proxy will be revoked automatically if the stockholder who executed it is present at the meeting and votes in person. Unless contrary instructions are indicated on the proxy, all shares represented by valid proxies received pursuant to this solicitation (and not revoked before they are voted) will be voted for (i) the election of the nominees for the directors named below; (ii) the ratification and appointment of Deloitte & Touche as independent auditors for the Company's fiscal year 1993; (iii) an amendment to the Company's Articles of Incorporation, as amended, to effect a one for ten reverse stock split pursuant to which the total number of issued and outstanding shares of common stock in the Company shall be reduced so that each ten shares of common stock issued and outstanding immediately prior to the reverse split shall be automatically converted into one share of common stock, with cash being issued in lieu of fractional shares.

VOTING

The close of business on April 2, 1993 has been fixed as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting. On that date, there were 57,803,741 shares of the Company's Common Stock outstanding. Each shareholder of record on the record date is entitled to one vote for each share of Common Stock held by such shareholder on any matter that may be presented for consideration and action by the shareholders at the Meeting. In the election of Directors, those Directors and nominees receiving the most votes cast (provided a quorum is present) will be elected. any other action shall be authorized by a majority of the votes cast at the Meeting, provided a quorum is present. Shareholders are not permitted to cumulate their votes in the election of Directors.

CERTAIN OWNERSHIP OF COMMON STOCK

The following table sets forth information, as of January 1, 1993, with respect to beneficial ownership of Common Stock (a) by persons known by the Company to be the beneficial owners of more than 5% of the outstanding Common Stock, (b) by each director or nominee, and (c) by all directors and officers of the Company as a group.

Name of Beneficial Owner (1)	Amount and Nature of Beneficial Ownership	Percent of Outstanding Common Stock (1)
Jack Tramiel	25,096,086 (2,3)	43.4%
Time Warner Inc. (formerly Warner Communications, Inc.)	14,200,000 (2)	24.6%
Sam Tramiel	1,053,289 (4)	1.8%
Leonard I. Schreiber	209,400 (5)	--
August J. Liguori	99,000	--
Michael Rosenberg	50,000 (6)	--
All directors and officers as a group (8 persons)	27,642,761	47.8%

(1) Percentage information is omitted for those individuals whose shares beneficially represent less than 1% of the outstanding shares of the Company's Common Stock.

(2) The address of Mr. Jack Tramiel is 1196 Borregas Avenue, Sunnyvale, California 94089. The address of Time Warner Inc. is 75 Rockefeller Plaza, New York, New York 10019.

(3) The number of shares indicated as beneficially owned by Mr. Jack Tramiel includes shares held jointly by Jack and Helen Tramiel, his wife. This number excludes an aggregate of 403,168 shares held by five (5) other family members, as to which Mr. Jack Tramiel disclaims beneficial ownership.

(4) Does not include 325,478 shares held in trust for Mr. Sam Tramiel's three minor children as part of Footnote 3.

(5) Does not include 15,000 shares each owned by Ellen W. McBride and Laurie L. Baker, daughters of Mr. Schreiber, and 4,000 shares owned by Barbara E. Schreiber, Mr. Schreiber's wife, as to which Mr. Schreiber disclaims beneficial ownership.

(6) In addition, Mr. Rosenberg owns $100,000 par value of Atari 5¼% Convertible Subordinated Debentures.

ELECTION OF DIRECTORS

The Company's directors are to be elected at each annual meeting of shareholders. At this Meeting, five directors will be elected to serve until the next annual meeting of shareholders and until their successors are elected and qualified. The nominees for election as directors at this Meeting are set forth in the table below. All are incumbent directors who have served as such during the last fiscal year. Each of the nominees has consented to serve as director if elected.

In the event that any of the nominees for directors should become unable to serve if elected, it is intended that shares represented by proxies which are executed and returned will be voted for such substitute nominee(s) as may be recommended by the Company's existing Board of Directors. To the best of the Company's knowledge, all nominees are and will be available to serve.

Nominee	Age	Position(s) with the Company
Jack Tramiel	64	Chairman of the Board
Sam Tramiel	43	Director, President and Chief Executive Officer
August J. Liguori	41	Director and Chief Financial Officer
Leonard I. Schreiber	78	Director
Michael Rosenberg	65	Director

Jack Tramiel founded the Company in May 1984 and has served as its Chairman and, until May 1988, Chief Executive Officer. Until January 1984, he was a Director and President of Commodore Business Machines, Ltd., which he founded 1958. Mr. Tramiel is the father of Sam, Garry and Leonard Tramiel.

Sam Tramiel has been President and a Director of the Company since June 1984 and became Chief Executive Officer in 1988.

August J. Liguori joined the Company in April 1986 as Vice President - Administration, Atari U.S. Mr. Liguori served as Vice President and General Manager, Atari U.S. from October 1986 to October 1989; as Vice President, Atari Corporation, October 1989 to October 1990; and as Vice President - Finance, Treasurer, Chief Financial Officer since October 1990. Mr. Liguori was elected to the Company's Board of Directors in May 1992.

Leonard I. Schreiber has been a Director of the Company since its formation in 1984 and served as a Vice President and Secretary of the Company from its formation through 1986. He is a partner of Schreiber & McBride which serves as General Counsel to the Company. He has been Mr. Jack Tramiel's personal counsel, and until May 1984 had been counsel to Commodore International, Ltd. for over twenty years.

Michael Rosenberg was elected to the Company's Board of Directors in May 1987. Mr. Rosenberg has been Chairman and Chief Executive Officer of Ross & Roberts, Inc. since he acquired that company from the Bemis Company, Inc. in September 1987. Prior to this, he was employed by Ross & Roberts, Inc. He is a Certified Public Accountant.

Board Meetings and Committees

The Company's Board of Directors met five times during 1992. Each director attended at least 75% in aggregate of the meetings of the Board of Directors and of the Committees on which such director served during the year, except August J. Liguori who attended two of three Board of Directors meetings but was present at two meetings prior to his election to the Board of Directors. In addition, Mr. Liguori attended the one Executive Committee meeting. The Company seeks potential nominees for Board membership in various ways and will consider suggestions submitted by shareholders. Any such shareholder suggestion should be submitted, in writing, to the Secretary of the Company at the above address.

On May 15, 1990, the Board appointed the following Committees on which the following directors and/or nominees serves or intend to serve:

Executive Committee: Jack Tramiel and Sam Tramiel--The Committee met one time during the year. The Executive Committee reviews and recommends to the Board of Directors action on major business activities of the Company. After his election as a Director in 1992, August J. Liguori was appointed to this committee.

Audit Committee: Leonard I. Schreiber and Michael Rosenberg--The Committee met once during the year. The Audit Committee is primarily responsible for approving the services performed by the Company's independent auditors and for reviewing and evaluating the Company's accounting principles and its system of internal accounting controls.

Compensation & Stock Option Committee: Jack Tramiel, Leonard I. Schreiber and Michael Rosenberg--The Committee did not meet during the year. The Compensation and Stock Option Committee reviews and approves the Company's executive compensation policy and administers the Company's stock option and restricted stock plan.

Management recommends voting "FOR" the election of Messrs. J. Tramiel, S. Tramiel, A. Liguori, L. Schreiber and M. Rosenberg. Unless otherwise directed by a shareholder, proxies will be voted "FOR" the election of such nominees.

EXECUTIVE OFFICERS OF THE COMPANY

The following table sets forth those executive officers of the Company not set forth above as Directors:

Nominee	Age	Position(s) with the Company
Steven M. Kawalick	41	Vice President - Legal, Treasurer and Secretary, Atari Corporation since March 1991; Treasurer and Assistant Secretary, May 1987 to March 1991; Director of Taxes, Atari Corporation, July 1984 to present; employed by Arthur Andersen prior to July 1984.
Richard Miller	30	Vice President-Technology, Atari Corporation since May 1989; Director of Research and Development, Atari Corporation from February 1989; Managing Director of Perihelion Ltd. from April 1987 to February 1989.
Leonard Tramiel	37	Vice President-Operating Systems Software, Atari Corporation since March 1991; Vice President-Software Development, July 1984 to March 1991.

COMPENSATION REPORT OF EXECUTIVE COMPENSATION

General

How the Company compensates executives reflects how they -- and the Company -- perform. But actually measuring performance is a complex subject, and the Compensation Committee and the Board of Directors firmly believe that the Company's shareholders are entitled to a detailed, clear explanation of what is involved.

This report consists of three sections. First, the report discusses the compensation philosophy of the Company. Simply stated, we believe in tying pay to performance. Second, the report discusses the three elements which comprise compensation -- salary, annual and long-term incentive compensation. Third, the report discusses the Chief Executive Officer's compensation and how his pay is tied to both his and the Company's performance.

Compensation Philosophy

The Company's compensation philosophy is designed to achieve a number of results:

- Provide a strong feeling and direct link between executive pay and Company performance on behalf of its shareholders;
- Attract, motivate and retain key executives;
- Compensate executives for their successful long-term strategic management of the Company;

- Establish compensation opportunities based on competitive levels among comparably-sized companies; and

- Base actual compensation goals on the achievement of the Company's annual and long-term objectives and performance.

Elements of Executive Compensation

Executives are compensated with a base salary, stock, stock option and a bonus plan. This combination is intended to provide executives with a base salary that is competitive in the industry with short-term incentives through a bonus plan based on annual profitability, and long-term incentives based on the value of stock through holdings or options. This plan means that while the executives make the salary in the short run, they will only increase their overall income by having a company that if profitable, which the Committee believes is reflected in the balance sheet and the value of the stock in the open market. Because of the Company's poor performance, the executives have not received substantial compensation through stock holdings, options or bonuses. In fact, because of the Company's poor performance, the Compensation Committee has reduced the base salaries of executives and other highly paid employees worldwide. Consistent with its compensation philosophy, the Committee granted stock option in proportion to the reduction in salary. Total options granted were 182,250 at $0.875 which was the closing price of the stock as traded on May 3, 1993 on the American Stock Exchange, the effective date of the salary reductions.

Salary

Base salaries are positioned at approximately the market rate in the computer and video game industry. Total compensation, which includes base salary plus incentives, is positioned at the average of general industry median pay levels. Both categories are used to ensure that if the Company engages in any future executive recruitment, compensation accurately reflects the marketplace.

Bonus Plan

The Company has a bonus plan whereby a bonus pool equal to 10% of the yearly increase in after-tax profits, exclusive extraordinary and non-recurring items, is made available for distribution on a discretionary basis. The Board of Directors feels that such a plan is necessary to attract and keep qualified employees. In 1992, profits, for purposes of this computation, did not increase and accordingly there was no bonus pool or bonus payments in the year. Since the Company has made no distribution under this plan, the Compensation Committee has not formalized performance standards and related distribution.

Chief Executive Officer Compensation

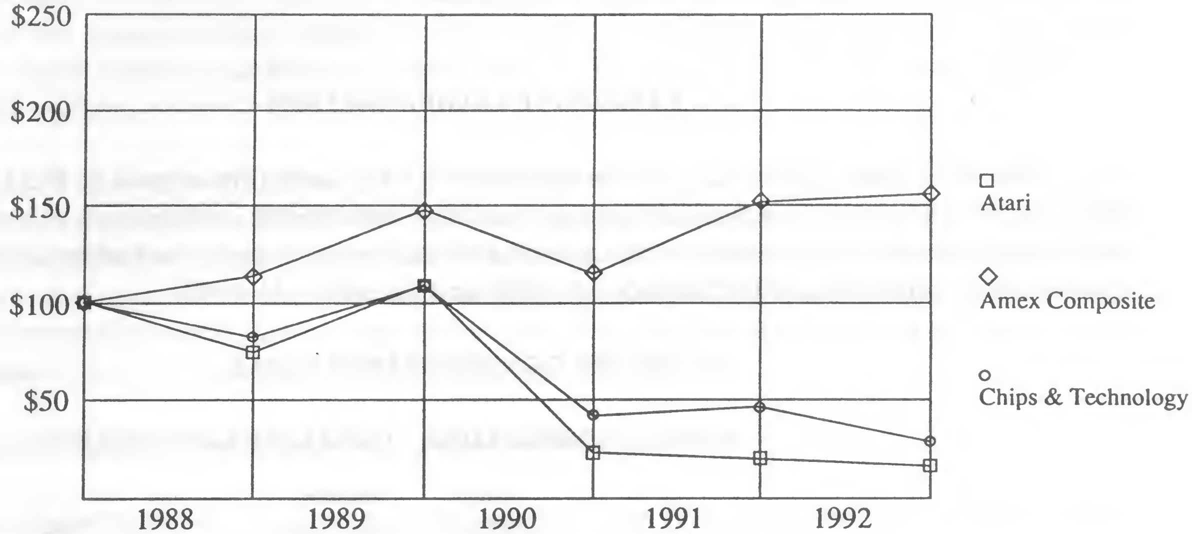
As already discussed, the Company's executive compensation program is based on performance. The Chief Executive Officer's total 1992 compensation was designed to be equal to the computer and video game industry median pay levels. However, as a result of the Company's poor performance, Mr. Sam Tramiel's base salary was reduced by $50,000. At the same time, the Committee granted Mr. Tramiel 25,000 in stock options as an incentive to improve the Company's future performance.

COMPENSATION COMMITTEE

Jack Tramiel
Leonard Schreiber
Michael Rosenberg

Performance Graph and Information

Comparison of Five Year Cumulative Total Return
Between Atari Corporation, AMEX Composite Index and Chips & Technology, Inc.



Cumulative Total Return

	1987	1988	1989	1990	1991	1992
Atari	$100	$ 75	$115	$ 23	$ 20	$ 17
Amex Composite	$100	$117	$145	$ 118	$152	$158
Chips & Technology	$100	$ 82	$115	$ 43	$ 46	$ 27

Percent Annual Charge

	1987	1988	1989	1990	1991	1992
Atari	$100	- 25%	53%	- 80%	- 14%	- 17%
Amex Composite	$100	17%	23%	- 18%	28%	1%
Chips & Technology	$100	- 18%	40%	- 6%	7%	- 42%

Selection of Peer Company

The Company's principal products are personal computers and video games and related software which represent 66% and 34%, respectively. The Company does not believe it can reasonably identify a peer group and/or a peer company because the Company's competition are in two different lines of business, and therefore a fair comparison cannot be made. The Company does consider itself to be in the development of technology and through this development process, the Company creates products within both lines of business. The Company feels that a fair peer comparison would be Chips & Technology, Inc. which develops technology for similar lines of business for broader applications, *i.e.,* microprocessors, customized chips. In addition, Chips & Technology has a similar market capitalization to the Company and has continued to invest in research and development.

EXECUTIVE COMPENSATION

The table below shows all compensation awarded to, earned by or paid to the Chief Executive Officer of the Company as well as each of the four other most highly compensated executive officers of the Company for services rendered in all capacities to the Company and its subsidiaries during the fiscal years ended December 31, 1992, December 31, 1991 and December 31, 1990:

SUMMARY COMPENSATION TABLE

		ANNUAL COMPENSATION			LONG TERM COMPENSATION			
Name & Principal Position	Year	Salary ($)	Bonus ($)	Other Annual Compensation ($)	Awards Restricted Stock Award(s)	Options/ SARs	LTIP Payouts ($)	All Other Compensation ($)
Sam Tramiel	1992	207,692	no	306	--	--	--	--
Director, President	1991	196,538	no	306		200,000		
and Chief Executive Officer	1990	195,483	no	296		--		
Jack Tramiel	1992	175,000	no	--	--	--	--	--
Chairman of the Board	1991	175,000	no	4,850		--		
	1990	175,000	no	4,850		--		
August J. Liguori	1992	155,769	no	206	--	--	--	--
Director, Chief	1991	150,000	no	204		--		
Financial Officer	1990	109,808	no	66		--		
Richard Miller	1992	150,000	no	108	--	--	--	--
Vice President,	1991	150,000	no	108		80,000		
Technology	1990	150,000	no	108		20,000		
Steven M. Kawalick	1992	140,192	no	173	--	--	--	--
Vice President-Legal,	1991	135,000	no	75,000		--		
Secretary and Treasurer	1990	132,596	no	112		--		

Stock Options

In 1986, the Company adopted a stock option plan and restricted stock plan which were amended at the Annual Meeting of Shareholders held on May 16, 1989. At December 31, 1992, options to purchase 970,400 shares of Common Stock were outstanding under the Option Plan at an average exercise price of $3.23 per share.

The Option Plan provides for the issuance of options to purchase up to 3,000,000 shares of Common Stock (less shares purchased under Stock Plan, if any) to such employees, directors and consultants of the Company and its subsidiaries as the Board of Directors, or a committee appointed by the Board of Directors to administer the Option Plan, may determine. Directors who are not employees are not eligible to be granted options under the Option Plan. The Board or its committee may grant either Incentive Stock Options (as defined in the Internal Revenue Code of 1986, as amended) or nonstatutory stock options.

The Board of Directors of the Company or its committee determines the number of shares to be subject to each option granted under the Option Plan, when the option may be exercisable and the exercise price of the option, which price in the case of Incentive Stock Options may not be less than 100% of the fair market value of the Company's Common Stock on the date on which the option is granted, and in the case of nonstatutory stock options may not be less than 80% of the fair market value of the Company's Common Stock on the date on which the option is granted.

No options or SARs were granted to the executive officers in 1992.

The following table is a summary of the stock options of the Chief Executive Officer and the four most highly compensated executive officers of the Company as of December 31, 1992.

Name	Shares acquired on exercise (#)	Value realized ($)	Number of unexercised options/SARs at fiscal year-end (#)[1]		Value of unexercised in-the money options/SARs at fiscal year-end ($) [2]	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Sam Tramiel	- 0 -	- 0 -	40,000	160,000	N/A	N/A
Jack Tramiel	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
August J. Liguori	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -
Richard Miller	- 0 -	- 0 -	28,000	72,000	N/A	N/A
Steven M. Kawalick	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -	- 0 -

[1]These numbers represent only options granted; there are no stock appreciation rights.

[2]All options are not in-the-money.

Compensation of Directors

The Company pays director fees of $500 per meeting for outside directors. During the year, the Company granted 20,000 options to each outside director, Messrs. Schreiber and Rosenberg. The options have a strike price of 1 3/4 and vests at the rate of 20% per year.

CERTAIN TRANSACTIONS

Loans were outstanding from the following directors and executive officers of the Company and are repayable on demand:

Name	Purpose of Loan	Highest During Year	Outstanding April 2, 1993	Rate
Steven M. Kawalick	House Loan	$290,000	$ 61,000	7%
Richard Miller	House Loan	$145,000	$145,000	7%
August J. Liguori	Personal Loan	$111,000	$ 76,000	7%

SHAREHOLDER PROPOSALS

Shareholders intending to offer proposals for consideration at the Company's 1994 Annual Meeting of Shareholders must deliver the proposal to the Company by November 10, 1993 to be included in its proxy statement and form of proxy relating to that meeting. Such proposals must comply with applicable corporation laws and with regulations of the Securities and Exchange Commission with respect to matters which may properly be submitted for action by the shareholders, and should be addressed to the Secretary of the Company at 1196 Borregas Avenue, Sunnyvale, California 94089.

RATIFICATION OF APPOINTMENT OF AUDITORS

Deloitte & Touche has served as the Company's independent auditors since 1984. The Board of Directors has again selected such firm to audit the financial statements of the Company for the year ending December 31, 1993 and submits this selection for shareholder approval. If the shareholders reject this selection, the Board will consider other firms of independent auditors. A representative of Deloitte & Touche will be present at the Annual Meeting and may make a statement and respond to appropriate shareholder questions.

Management recommends voting "FOR" the election of Deloitte & Touche as auditors. Unless otherwise directed by a shareholder, proxies will be voted "FOR" the election of Deloitte & Touche as independent auditors.

PROPOSAL TO AMEND THE COMPANY'S ARTICLES OF INCORPORATION, AS AMENDED, TO EFFECT A ONE FOR TEN REVERSE STOCK SPLIT

The Board of Directors of the Company has unanimously adopted a resolution to submit to the stockholders for their consideration and approval, a proposal to amend the Company's Articles of Incorporation, as amended ("Proposal 3") to effect a one for ten reverse stock split of the Company's issued and outstanding common stock (the "Reverse Split") pursuant to which each ten shares of common stock issued and outstanding immediately prior to the Reverse Split will be automatically converted into one share of common stock, with cash being issued in lieu of fractional shares. The Reverse Split will become effective upon filing of the Certificate of Amendment of the Articles of Incorporation with the Secretary of the State of Nevada (the "Effective Date"). The Reverse Split is to be effected in the form of an amendment to the Articles of Incorporation of the Company, the operative text of which is reprinted at the end of this section.

No fractional shares of common stock or script will be issued in connection with the Reverse Split. Any holder of common stock who would otherwise be entitled to receive a fractional share of post-Reverse Split common stock will receive in lieu thereof a cash payment based on the closing price of the shares of the pre-Reverse Split common stock of the Company as of the close of business on the Effective Date, multiplied by such fractional share of common stock. Such payment will not be made unless and until the holder of the fractional share of common stock renders such holder's common stock to the transfer agent for exchange and for payment in lieu of fractional shares. As soon as practical after such surrender, a cash payment without interest will be sent to the holder of such fractional share, together with a new common stock certificate, if applicable. The post-Reverse Split certificates will bear a new CUSIP number. The Company will bear the transfer agent charges incurred in connection with such exchanges for a period of ninety days following the date of such notification. Thereafter, the transfer agent will charge exchanging stockholders $10 for each post-Reverse Split stock certificate requested to be issued. Until exchanged, pre-Reverse Split certificates will, for all purposes, represent the number of shares of common stock to which the holder thereof is entitled as a result of the Reverse Split.

Stockholders' holdings, in the aggregate, of 15% or more of the outstanding shares of the Company have the right to demand an appraisal of the fair cash value of the shares if reduction of the number of outstanding shares of the corporation is to be accomplished by the payment of cash to persons otherwise entitled to become holders of fractions of shares. This demand must be made at or before the meeting at which the reduction is approved, or before or with the consent to act without a meeting. The Company will reproduce and deliver a list containing the names and addresses of all current stockholders of record to any stockholder who requests that list and pays the actual costs of reproduction and postage.

Reasons for the Reverse Split

The Board of Directors believes that the Reverse Split should enhance the acceptability of the Company's common stock by the financial community and the investment public. Many leading brokerage firms are reluctant to recommend low-price stocks to their clients. Additionally, since brokers' commissions on low-price stock generally represent a high percentage of the stock price than commissions on higher priced stocks, the current share price of the common stock can result in individual stockholders paying transaction costs which are a higher percentage of their total share value than would be the case if the Company's share price was substantially higher. This factor may also limit willingness of institutions to purchase the Company's stock. The common stock has also been trading at a low price for several years, and recently below $1. With the shares trading in such a range, small moves and absolute terms in the price-per-share of common stock translate into disproportionately large swings in the price on a percentage basis, and these swings tend to bear little relationship to the financial condition and results of the Company. In the Board's view, these factors have resulted in an unjustified, relatively low level of interest in the Company on the part of investment analysts, brokers and professionals, and individual investors which tends to depress the market for the common stock. The Board has thus proposed the Reverse Split as a means of increasing the per-share market price of the common stock in the hope that these problems will thereby be remedied.

There can be no assurance, however, as to what effect the Reverse Split will have on the market price of or the market for the common stock. While one may expect a ten-fold increase in the per-share trading price of common stock, this may not occur. The Reverse Split is expected to increase the number of "odd-lot" common stock holdings (*i.e.,* holdings of a number of shares that are not divisible by 100), which may be more difficult to sell and may also result in increased selling costs. The Board of Directors is hopeful that the Reverse Split will result in higher per-share prices for the common stock and potentially greater liquidity for the Company's stockholders, although such liquidity could be adversely affected by the reduced number of shares outstanding after the Reverse Split. There can, however, be no assurance that the foregoing will result or that the new per-share price level of the common stock after the Reverse Split will be maintained for any period of time.

Operative Text of Reverse Split Amendment

Resolved that the Articles of Incorporation of Atari Corporation, as previously amended, be amended by adding to Articles FOURTH a new paragraph which reads as follows:

Effective at the opening of business after this amendment is duly filed with the Secretary of the State of Nevada, each issued and outstanding share of common stock, par value $.01 per share, shall automatically be reclassified and changed into one tenth (1/10) of a share of common stock at par value $.01, of the Company; provided, however, that no fractional shares of common shares shall be issued as a result of such change. Fractions of shares shall be paid in cash without interest as soon as practical after surrender to the transfer agent.

Management deems a Reverse Split to be in the best interest of the Company and its stockholders and recommends that the stockholders vote FOR the proposal to amend the Articles of Incorporation, as amended, to effect the Reverse Split.

COMPLIANCE WITH SECTION 16(a) OF THE SECURITIES EXCHANGE ACT OF 1934

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's directors and executive officers, and persons who own more than ten percent of a registered class of the Company's equity securities, to file with the Securities and Exchange Commission (SEC) initial reports of ownership and reports of changes in ownership of Common Stock and other equity securities of the Company. Officers, directors and stockholders holding more than 10% of the class of stock are required by SEC regulation to furnish the Company with copies of all Section 16(a) forms they file.

To the Company's knowledge, based solely on review of the copies of such reports furnished to the Company and written representations that no other reports were required, during the fiscal year ended December 31, 1992, all Section 16(a) filing requirements applicable to its officers, directors and greater than ten percent beneficial owners were met.

ANNUAL REPORTS

The Company will use its Annual Report on Form 10-K, which is filed with the Securities and Exchange Commission, as its Report to Shareholders for the fiscal year-end December 31, 1992. Such report is being mailed to shareholders with the proxy materials; however, such report is not incorporated in this Proxy Statement and shall not be deemed to be a part of the proxy solicitation material.

The Company will provide, without charge, a copy of its annual report or Form 10-K, including the financial statement and the financial statement schedules, for 1992 to each person solicited upon written request. Requests should be made to: Investor Relations, Atari Corporation, 1196 Borregas Avenue, Sunnyvale, California 94089.

OTHER BUSINESS AND DIRECTOR NOMINATIONS

At the time of the preparation of this Proxy Statement, the Company's Board of Directors had not been informed of any other matters which would be presented for action at the Annual Meeting. If any other matters are properly presented, the person named in the accompanying form of proxy will vote or refrain from voting in accordance with his or her best judgment.

By Order of the Board of Directors
Steven M. Kawalick, Secretary

This document was produced using an Atari Falcon030 computer and Atari Works©, a newly-developed integrated productivity software.